Appendix F
Session 4

Presentation Charts, Panel Responses, and Questions and Answers

4.0 Stakeholder Perspectives

4.1 Opening Comments

Panel Chair: **Ron Lehr, Consultant**

Panel Members: **Warren Lee,** Hawaii Electric Light Co. (HELCO)
Tom Jezierny, Maui Electric Light Co. (MECO)

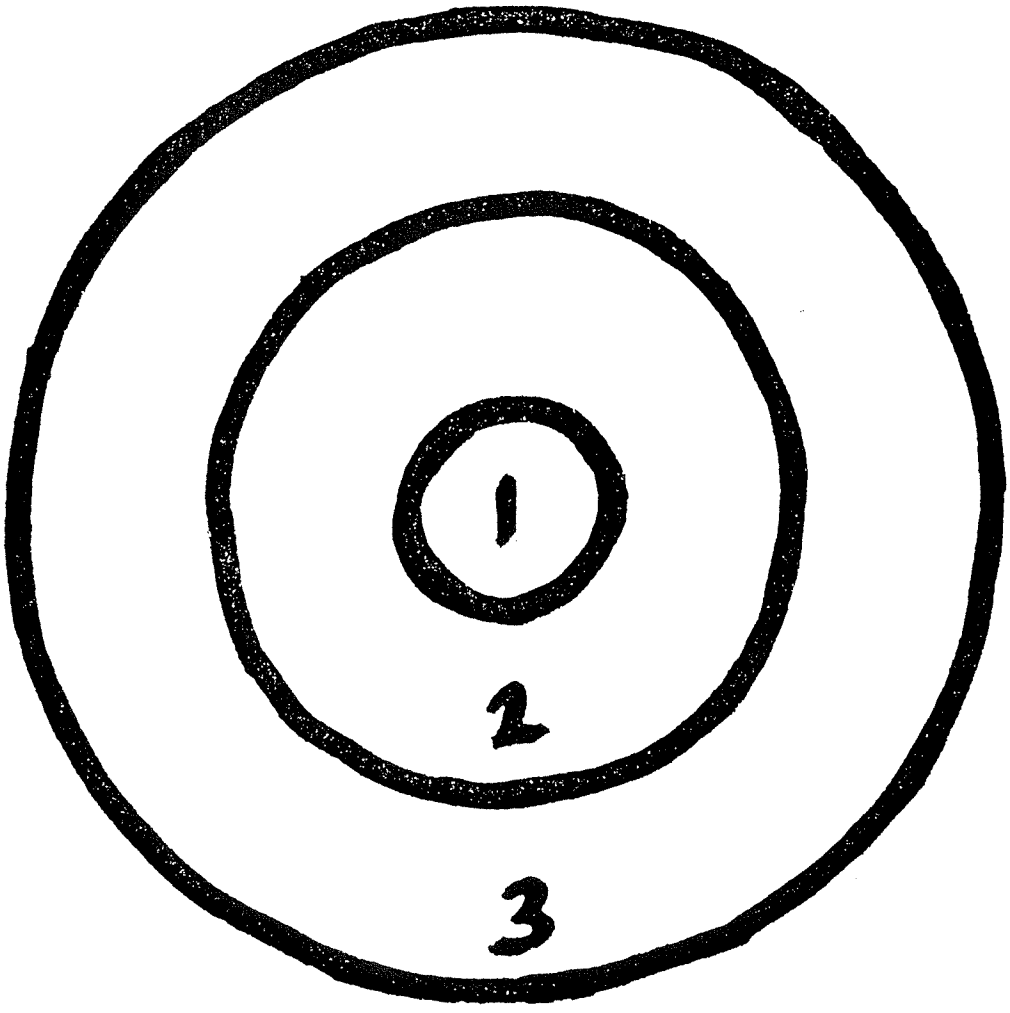
Presentation charts follow

STAKEHOLDER ANALYSIS

1. **KEY STAKEHOLDERS**
   - **"but for" their participation, no success**
   - **hold decision power**
   - **make financial decisions**
   - **veto power**

2. **SUPPORTING STAKEHOLDERS**
   - **affected interests**
   - **facilitate key stakeholders**
   - **strong claimed interest**
   - **helpful, supporting roles**

3. **OTHER INTERESTS**
   - **nice to have**
   - **broader, related interests**



Ron Lehr

INVOLVING STAKEHOLDERS

1. GIVE NOTICE

interests will self-select
work with informal due process

2. LIST INTERESTED PARTIES

3. USE MULTIPLE APPROACHES

build an information base and remember each area of technical expertise:

- engineering
- economics
- law
- finance
- accounting

move toward consensus building:

- agree on process
- agree on groundrules for participation
- agree on options
- work toward a consensus recommendations
- use single text negotiation

save litigation for remaining issues.

Ron Lehr

REASONS FOR UTILITIES AND COMMISSIONS TO COMMERCIALIZE RENEWABLES

1. ENVIRONMENTAL CONCERNS
2. COSTS AND RISKS OF FOSSIL FUELS
3. NEW TECHNOLOGY PRODUCTIVITY
4. CUSTOMER PREFERENCES
5. UTILITY COMPETITIVE ADVANTAGE

RENEWABLES COMMERCIALIZATION

1. 5 TO 10 YEAR COMMERCIALIZATION PERIOD
2. DECLINING COST TECHNOLOGIES
3. UTILITY INVESTMENT CREATES DEMAND
4. MANUFACTURING SCALE ECONOMIES
5. DECLINING COSTS, BROADER APPLICATIONS
6. NET COMMERCIALIZATION PERIOD BENEFITS

NOT NUCLEAR POWER

-MODULAR TECHNOLOGY

-VAST PUBLIC SUPPORT

ELEMENTS OF SUCCESSFUL COMMERCIALIZATION STRATEGY

1. SHARED VISION
2. PARTNERSHIPS BASED ON COMMON INTERESTS
3. LEADERSHIP
4. COLLABORATION
5. PLANNING
6. ORGANIZATION
7. COORDINATION
8. COMMITMENT

Ron Lehr

PV-COMPACT

PhotoVoltaic - COllaborative
Market Project to Accelerate
Commercial Technology

TEAM-UP
(Technology Experience to Accelerate Markets in Utility Photovoltaics)

STEP PLAN
(STate Efforts for Photovoltaics)

RETA
(Renewable Energy Technology Analysis)

NASUCA PVEP
(National Association of State Utility Consumer Advocates
PhotoVoltaic Education Project)

RECOMMENDATIONS:

1. SET ASIDES FOR RENEWABLES IN IRP

2. RENEWABLES RFP

3. FUNDING MECHANISMS

utility cost recovery, incentives
green pricing
green bonding

4. PROJECT DEVELOPMENT TEAMS

Hawaii Windpower Workshop

Session 4: Stakeholder Perspectives

To provide an overview of approaches to facilitate the proactive involvement of the key stakeholders to enhance the use of windpower in the electric utility.

Utility Perspectives:

- **IRP is the means to "facilitate the proactive involvement of the key stakeholders to enhance the use of wind power in the electric utility."**
- **Stakeholders can become involved through intervention, membership on IRP Advisory Groups, public meetings, etc. Stakeholders should become familiar with IRP filings, testimonies, hearings, decisions, action plans, etc.**
  - Utility Action Plans proposed include:
  - Forecasting
  - Demand Side Management
  - Supply Side Resources: includes Renewable Energy Studies
  - Externalities
- **The latter two items are opportunities to address the workshop goal of "identify appropriate mechanisms for consideration of wind power within the IRP process**
- **Integrated Resource Planning IS the ball game.**

Tom Jezierny, MECO

Hawaii Windpower Workshop

Utility Perspectives

- **Regarding the session goals, developers can "enhance the use of wind power" by working with the electric utility regarding its concerns as a stakeholder:**

  1) New Utility Paradigm; Strategic Plan themes:

  - Customer Service: Energy Services (not just electricity) to retain/gain customers in light of competition.
  - Cost Containment: save money, keep product cost competitive with Purchase Power, Self-Generation, Energy Service Companies, etc.

  2) Provision of Wind Energy:

  - Quality and Reliability of power/energy supplied.
  - Customers and PUC/CA attention focus on the utility, not the wind energy developer.

  3) Costs:

  - Recovery impacted with too little wind (less than forecast in rate case decisions).
  - Financial impacts as a result of customer equipment damage claims.

  4) Ownership Alternatives:

  - Conservatism of Utilities
  - Conservatism of Isolated Utilities
  - Conservatism of Isolated Utilities with Unhappy Wind Experience

Tom Jezierny, MECO